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LIVESTOCK AND PRODUCTS ANNUAL

Livestock And Products Annual

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Report Highlights:

Egypt's domestic cattle industry continues to suffer from disease problems which limit growth. Domestic beef prices are very strong, but local industry is not able to respond by increasing supply. Imported frozen beef and beef liver continue to be an important source of protein to the domestic market as well as for hotels serving the growing tourism trade. U.S. dairy cattle are preferred based on their productivity, but face price competition from Europe.

Executive Summary:

Commodities:

Select

Production:

Production

Egypt's total cattle herd (including domesticated buffalo) decreased in 2009 and is estimated at about 6.248 million head out of which 49 percent are buffalo, compared to 6.256 million head in 2008. This reduction is mostly due to the outbreaks of foot and mouth disease (FMD), which is endemic in Egypt, lumpy skin disease (LSD) and Bovine Ephemeral Fever (Three Day Fever). Many dairy farms were forced to slaughter their dairy cows for beef as a result of Bovine Ephemeral Fever outbreak this past year. In addition, due to the continued ban on live cattle imports from major exporting countries such as Ireland and Ethiopia, inventories for 2010 are expected to decline from 2009 levels. However, the Egyptian government has lifted the ban on imports of pregnant heifers from U.S, Canada and Denmark, which should help improve milk production.

Cattle herd size and production numbers are based on data provided by Egyptian government sources and local trade and differ substantially from the FAO data series used by FAS/W. The FAO series is based on a 2.5 percent annual growth rate since the last agricultural census in 1991, whereas Post data reflect the impacts of disease and market conditions on herd size. Post data are based in part on participation in mandatory government disease control programs.

Consumption:

Red meat consumption in Egypt is composed primarily of locally produced fresh meat and some imported frozen meat. The average per capita consumption of red meat including variety meats is estimated at 8.5 kilograms per year, which is quite low compared to consumption levels in other countries. The lower consumption is mainly due to limited local production combined with lower per capita income. Fresh meat prices have gone up dramatically in 2009 from LE 30 (\$5.45) per kilogram to LE 50 (\$9.09) per kilogram and further increases are expected for 2010. Egyptians prefer beef to other types of meat including poultry and lamb. They also prefer fresh over frozen beef.

The more affluent segment of the population tends to think of imported frozen meat as an inferior product as they have been used to consuming fresh meat for years. The exception to this perception is the very limited amount of high quality beef imported for use in hotels and restaurants that is mostly imported from the United States.

Trade:

The restrictions continue on live cattle imports from some EU countries due to the presence of BSE, particularly from Ireland, which used to be the major supplier of imported ready for slaughter cattle as it is the only European country that can meet the Egyptian veterinary regulations such as castrating their bulls. Imports from Ethiopia were also suspended in 2007 due to FMD, LSD and three day fever, which were transferred to the Egyptian herd and caused severe losses to the Egyptian farmers. Accordingly, imports of live cattle have declined to about 12,000 head in 2008, compared to 30,000 head in 2007. The restrictions on Irish cattle encouraged importers to source ready for slaughter cattle from other countries free of BSE. In 2008 Egypt imported about 12,000 head from Uruguay. Since January through the end of August 2009, Egypt has imported 19,145 head of live cattle, of which 8,000 head are ready for slaughter from Brazil, 7,500 from Uruguay and 1,000 from Djibouti. In addition, Egypt imported 1,900 head from the U.S and 745 from Germany, all pregnant heifers for milk production. Total live cattle imports through the end of 2009 are expected to reach 30,000 head, mostly from Brazil and Uruguay. For 2010, live cattle are expected to increase in number and reach 40,000 head.

One of Egypt's largest dairy farms imported 1,900 U.S. dairy heifers in order to expand their milk production. The success of this first transaction coupled with recent price competitiveness has created great interest among Egyptian dairy farmers to import more U.S. dairy cattle. U.S. Holstein dairy cattle enjoy a great reputation for milk production and most dairy farmers prefer Holstein over other breeds. More dairy cattle from the U.S are expected to be imported in 2010 although competition from the EU is growing.

Imports of frozen beef totaled about 126,000 tons in 2009 and are expected to increase slightly 2010 as a result of short supply of locally produced meat coupled with a growing population. In 2009, Egypt imported about 80,000 MT of frozen beef from Brazil and other South American origins, about 45,000 MT of carabeef (buffalo) frozen meat from India and some 1,000 tons of U.S. beef. In addition, some 70,000 MT of U.S. frozen beef livers were imported.

Most frozen beef is imported as boxed forequarters or hindquarters. Imports of high-quality U.S. beef is growing due to the increased number of new international restaurant chains and the increased number of tourists (12.5 million in 2009), Egypt imported about 1,000 MT of US high quality beef in 2009. Consumers of high quality US beef were mainly in the hotel and restaurant sectors, although Brazilian and Indian beef is widely used for the all-inclusive, package tourism trade. However, lower end cuts of U.S. beef are increasingly competitive with Brazilian beef and the trade is seeing expansion in this sector. FAS Cairo is currently working with the Egyptian veterinary authorities to re-open the market for bone-in beef in accordance with OIE guidelines. Once this trade barrier is removed U.S. high-quality beef exports to Egypt will likely increase substantially.

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle Egypt								
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010	
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data	Jan
			Data			Data		Data
Total Cattle Beg. Stks	5,308	5,308	6256	5,035	5,030	6248	4,680	6200
Dairy Cows Beg. Stocks	3,345	3,350	3940	3,173	3,352	3934	3,108	3905
Beef Cows Beg. Stocks	0	0	0	0	0	0	0	0
Production (Calf Crop)	1,650	1,650	1825	985	1,550	1822	1,437	1808
Intra-EU Imports	0	0	0	0	0	0	0	0
Other Imports	35	12	12	50	30	30	40	40
Total Imports	35	12	12	50	30	30	40	40
Total Supply	6,993	6,970	8093	6,070	6,610	8100	6,157	8048
Intra EU Exports	0	0	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0	0	0
Cow Slaughter	390	370	380	350	380	390	300	400
Calf Slaughter	130	120	110	140	125	100	100	90
Other Slaughter	1,188	1,250	1105	950	1,155	1110	1,100	1100
Total Slaughter	1,708	1,740	1595	1,440	1,660	1600	1,500	1590
Loss	250	200	250	250	270	300	280	250

Ending Inventories	5,035	5,030	6248	4,380	4,680	6200	4,377	6208
Total Distribution	6,993	6,970	8093	6,070	6,610	8100	6,157	8048
CY Imp. from U.S.	0	0	0	0	0	2	0	0
CY. Exp. to U.S.	0	0		0	0	0	0	0
Balance	0	0	0	0	0	0	0	0
Inventory Balance	-273	-278	-278	-655	-350	-350	-303	-303
Inventory Change	-6	-6	-6	-5	-5	-5	-7	-7
Cow Change	-6	-6	-6	-5	0	0	0	0
Production Change	-6	-6	-6	-40	-6	-6	-7	-7
Production to Cows	49	49	49	31	46	46	46	46
Trade Balance	-35	-12	-12	-50	-30	-30	-40	-40
Slaughter to Inventory	32	33	33	29	33	33	32	32
TS=TD			0			0		0

Source: Ministry of Agriculture

Meat, Beef and Veal Egypt	2008			2009		2010	
	2008			2009		2010	
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		Market Year Begin: Jan 2010	
	USDA Official Data		New Post	USDA Official Data		New Post	Jan
			Data			Data	Data
Slaughter (Reference)	1,875	1,758	1,595	2,025	1,660	2,150	1,500
Beginning Stocks	0	0	0	0	0	0	0
Production	417	394	350	450	370	475	335
Intra-EU Imports	0	0	0	0	0	0	0
Other Imports	195	235	120	150	126	175	130
Total Imports	195	235	120	150	126	175	130
Total Supply	612	629	470	600	496	650	465
Intra EU Exports	0	0	0	0	0	0	0
Other Exports	3	0	0	12	0	15	0
Total Exports	3	0	0	12	0	15	0
Human Dom. Consumption	609	629	470	588	496	635	465
Other Use, Losses	0	0	0	0	0	0	0
Total Dom. Consumption	609	629	470	588	496	635	465
Ending Stocks	0	0	0	0	0	0	0
Total Distribution	612	629	470	600	496	650	465

Source: Ministry of Agriculture, Egypt Customs

Imports in 2008, 2009 and 2010 adjusted to not include beef livers. Imports for years prior to 2008 included beef livers.

Attachment	Attachment Link
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